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US Senator Harkin Addresses NIRS Annual Policy Conference; Says Most Public Pension Plans are "Doing Just Fine"

United States Senator Tom Harkin (D-IA), Chairman of the Senate Health, Education, Labor and Pensions (HELP) Committee, was the keynote speaker at the second annual National Institute on Retirement Security (NIRS) retirement policy conference the day following the NCTR/NASRA Legislative Workshop. Harkin offered support for public pensions, criticizing "unfair scapegoating" by what he referred to as "a vocal group of activists and politicians who are trying to score political points." He also spoke of the need for "bold changes" to ensure that the nation's retirement system works for everyone, with several essentials that mirror the success of public plans' defined benefit model. Harkin stressed that **"the conversation should be about how we can lift everyone up rather than knocking public sector workers down."** NIRS also used its conference to release new public opinion research that finds an overwhelming majority of Americans believe the nation's retirement infrastructure is crumbling; that stock market volatility makes it impossible to predict retirement savings; and that government needs to do more when it comes to providing pensions for all Americans.

On March 8, NIRS held its second policy conference in Washington, DC, within walking distance of the NCTR/NASRA Legislative Workshop. This year's NIRS conference was entitled "Policy at the Crossroads: Ensuring Economic Recovery Strengthens Retirement Security," and focused on whether a rising economic tide will "lift Americans' retirement boats" or if policymakers, plan sponsors, and service providers will need to employ new strategies to restore America's retirement readiness.

Harkin Speech

Senator Harkin, the keynote speaker, referred to hearings he has been holding in the HELP Committee on retirement security, which made it "crystal clear" to him that the current national retirement system is failing many Americans. He said that 401(k) plans aren't doing enough to help families prepare for retirement, with low savings rates and "no simple way for people to convert their savings into a guaranteed stream of retirement income." The Senator also pointed out that traditional defined benefit private sector pensions are disappearing.

This means that **"the only people who really have pensions are public employees," the Senator said, and the retirement security conversation "should be about how we can lift everyone up rather than knocking public sector workers down." However, he noted that public plans are under attack, with opponents using "hyperbolic studies with pictures of burned out cities trying to make people think that pension plans are breaking state budgets."**

Harkin pointed out that "The truth is that not every public pension is in trouble." "Most are doing just fine," he said. While the Iowa Democrat recognized that a few public retirees are living "high-on-the-hog on the taxpayers' dime," he also underscored the fact that the average retirement benefit for a public employee is just \$22,600. "And remember," he reminded attendees, including members of the national press, "that lots of public employees aren't in the Social Security system, so that's all they get."

Harkin said that any policy decisions regarding public pensions should be "based on facts, not unfair scapegoating." "Let's not forget who we're really talking about," the Senator stressed. "We're talking about the police officers who put their lives on the line to keep our families safe and the elementary school teachers who make sure our kids know their ABCs."

Senator Harkin has concluded that there are some "core principles" that he believes the nation's retirement system needs to serve:

1. The system needs to be universal and automatic.

2. It needs to provide certainty. People “need to know that they are going to get a check for a certain amount every month no matter how long they live, Harkin said.
3. The retirement system needs to be one of shared responsibility. “Employees, employers and the government all have a role to play,” Harkin underscored, “and it’s patently unfair to make families shoulder the burden alone.”
4. Retirement dollars need to be professionally managed.